

Investment Objective

The Fund aims to achieve long term capital growth by investing in a diversified portfolio of equity and fixed income securities. The Fund aims to provide excess return over the composite benchmark, 50% Philippine Stock Exchange index (PSEi) and 50% return of the 91-day Treasury Bill, net of tax.

Figures as of 07/31/2012

Cumulative Performance (%)¹

	1 mo	1YR	3YRS	5YRS
Fund	0.76	6.89	53.88	32.11
Benchmark ²	0.66	9.66	48.38	33.65

Annualized Performance (%)¹

	1YRS	2YRS	3YRS	4YRS	5YRS
Fund	6.89	16.00	15.45	12.82	5.73
Benchmark ²	9.66	13.73	14.06	12.27	5.97

Calendar Year Performance (%)¹

	YTD	2011	2010	2009	2008	2007
Fund	10.06	-0.72	37.38	20.28	-26.80	11.42
Benchmark ²	11.14	2.81	20.41	33.32	-22.30	12.06

¹Returns are net of fees. Past performance is not an indication of future returns.

²The Benchmark of the fund is 50% PSEI / 50% 91-d T-Bills. Prior to 2009, the Benchmark was 50% PSEI/50% 1-Year T-bills.

Key Figures and Statistics

Net Asset Value per Unit (NAVPU)	PHP	137.34
Total Fund NAV (Mln)	PHP	839.17
Current Number of Holdings		18
Information Ratio ³		(0.29)
Sharpe Ratio ³		0.34

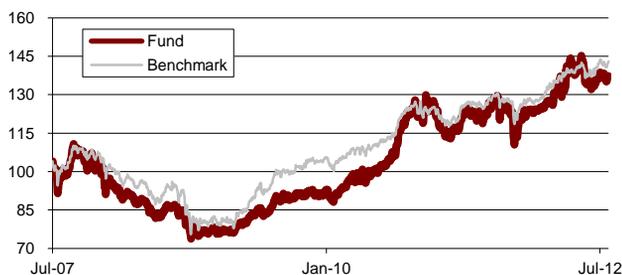
Statistics – Past 5 Years

	Fund	Benchmark
Annualized Return (net)	5.73%	5.97%
Annualized Volatility	13.64%	12.58%
Portfolio beta	1.07	

General Information

Launch Date	April 4, 2005	
Fund Structure	Unit Investment Trust Fund	
Fund Classification	Balanced Fund	
Fund Currency	Philippine Peso	
Minimum Holding Period	90 calendar days	
Minimum Initial Investment ⁴	PHP	10,000.00
Minimum Transaction ⁴	PHP	1,000.00
Early Redemption Fee	0.50%	
Management/Trust Fee	1.50% per annum / 0.37% per quarter ⁵	
Custodianship Fees	0.005% per quarter ⁵	
External Audit Fees	0.01% ⁶	
Valuation Methodology	Marked-to-Market	
Special Expense ⁷	PHP 2,000.00 per annum	
External Auditor	Isla Lipana & Co.	
Receiving Banks	BPI Branches	
Trustee	Bank of the Philippine Islands	
Third Party Custodian	HSBC, Ltd. (Philippines)	
Dealing Cut-Off	2:30 PM	

NAVPU Graph



Allocation

Portfolio Composition: Equities 68.8%, Cash, Fixed Income and Other Receivables 31.2%

Top Equity Holdings

Name	Main Business	% of Fund
Union Bank of the Philippines	Financials	10.36%
DMCI Holdings, Inc.	Holding Firms	10.08%
Cebu Holdings, Inc.	Property	7.58%
Ayala Corporation	Holding Firms	7.11%
Bank of the Philippine Islands	Financials	7.04%
GT Capital Holdings, Inc.	Holding Firms	4.69%
Semirara Mining Corporation	Mining	4.14%
SM Prime Holdings, Inc.	Property	3.90%
The Philippine Stock Exchange, Inc.	Financials	3.71%
Megawide Construction Corporation	Construction	3.38%

Sector Holdings (Equity Portion)

Holding Firms	21.9%
Financials	21.1%
Property	12.5%
Mining	4.1%
Construction	3.4%
Industrials	3.2%
Foods	2.7%

Any prospective investment shall be limited to the type of investments described in the Declaration of Trust for the Fund.

Risk Disclosure

The Fund is suitable for investors with an aggressive risk profile or for those who have medium- to long-term views. Prior to investment in the Fund, the investor shall undergo a client suitability assessment procedure to determine whether the Fund is appropriate for him considering his investment objective, risk tolerance, preferences and experience. As a marked-to-market UITF, the Fund's net asset value and total return may fall as well as rise as a result of stock prices and interest rates movements. On redemption of units, an investor may receive an amount less than the original amount of investment.

³The Information Ratio evaluates reward-to-risk efficiency relative to the benchmark, while the Sharpe Ratio evaluates reward-to-risk efficiency relative to the risk free rate. The higher the number, the higher the reward per unit of risk. Sharpe and Information Ratios between funds of different classifications are non-comparable.

⁴Contribution rounded down/ redemption rounded off to the nearest whole unit.

⁵Trust fees/custodianship fees/audit fees as a percentage of average daily NAV for the quarter.

⁶External Audit fees as a percentage of the end-year NAV.

⁷For publication expense.

Manager's Report

Local Market Review: For the month of July, the Philippine Stock Exchange index closed higher by 1.2%, slower than the performance of regional markets during the month but still coming in as one of the top performing bourses in the region with a 21.4% year-to-date gain. The local index was able to reach a new all-time high of 5,369.98 on the 5th of July. The market then corrected but still closed above the 5,300 level as of the end of July.

Several companies raised capital through share placements. URC, AC and ALI raised a total of US\$625 million for the month of July. This buoyed the net foreign inflow for the month to reach US\$503 million.

The local economy continues to be promising. Inflation eased to 2.8% year-on year for the month of June from 2.9% in May, allowing the Bangko Sentral ng Pilipinas to lower the benchmark interest rate by 25 basis points to 3.75%. This was a positive surprise for the market which was expecting the BSP monetary board to keep rates steady. In addition, international credit ratings agency Standard and Poor's upgraded the creditworthiness of the Philippines from BB to BB+, a notch below investment grade.

The consumer sector(+7.3 MoM) was the top performer for the month, as the industry gained attention with the expected boost in revenues from election-related spending. The low interest rate scenario proves to be beneficial to the property sector (+4.9% MoM) and banks (+1.7% MoM). The mining sector (-5.9% MoM) was the worst performer due to the overhang created by the mining executive order.

Fund Performance: The Fund returned 0.76% during the month against its benchmark's 0.66%. Year-to-date, the Fund is up 10.06%.

Strategy: We are expecting the market to reach 5,500 by the end of this year. Growth numbers could further improve with the low interest rate environment. Downside risk still remains from the uncertainties in the Euro region. We are favoring the banks, property, consumer and infrastructure sectors.

